

Department of Health and Mental Hygiene
Developmental Disabilities Administration
M00M
Response to Recommended Actions

Recommendation: #1

Add the following language:

SECTION XX. AND BE IT FURTHER ENACTED, That \$100,000 of the general fund appropriation for M00A01.01 – Executive Direction, and \$100,000 of the general fund appropriation for N00.A01.01 – Office of the Secretary, and \$100,000 of the general fund appropriation for V00.D01.01 – Office of the Secretary may not be expended until:

- (1) the Department of Health and Mental Hygiene, the Department of Human Resources, and the Department of Juvenile Services submit a report to the budget committees and the Interagency Rates Committee in the Maryland State Department of Education by January 31, 2007, listing by provider, the amount and percentage of annual funding paid to licensed child residential group home providers in Maryland that was retained by the provider at the end of the fiscal year; and
- (2) the budget committees have reviewed and commented on the report or 45 days have elapsed from the date the committees received the report.

It is the intent of the General Assembly that the departments should submit this report on an annual basis.

Response

The Developmental Disabilities Administration does not purchase services with rates established by the Interagency Rates Committee. The Administration uses its own Fee Payment System (FPS) to purchase residential services. Therefore, DDA does not think this recommendation applies to the Administration and requests that it be exempted from this budget-bill language.

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Recommendation: #2

Add the following language:

SECTION XX. AND BE IT FURTHER ENACTED, That \$100,000 of the general fund appropriation for M00A01.01 – Executive Direction, and \$100,000 of the general fund appropriation for N00.A01.01 – Office of the Secretary, and \$100,000 of the general fund appropriation for V00.D01.01 – Office of the Secretary may not be expended until:

- (1) the Department of Health and Mental Hygiene, the Department of Human Resources, and the Department of Juvenile Services submit a copy of each independent audit of rate contracts for fiscal 2006 for licensed child residential group home providers to the Interagency Rates Committee in the Maryland State Department of Education by January 31, 2007; and
- (2) the Maryland State Department of Education submits a report by March 31, 2007 to the budget committees certifying receipt of the audits and listing the providers from which audit reports were not received; and
- (3) the budget committees have reviewed and commented on the report or 45 days have elapsed from the date the committees received the report.

The Maryland State Department of Education shall incorporate review of these audits into the annual rate-setting process for group homes licensed in Maryland by checking the audit results against reported budget data that were used to develop the rates. It is the intent of the General Assembly that the departments should submit audit reports to the Interagency Rates Commission on an annual basis.

Response

The Developmental Disabilities Administration does not purchase services with rates established by the Interagency Rates Committee, so the Administration does not have independent audits of the Committee's rate contracts. The Administration uses its own Fee Payment System (FPS) to purchase all residential services. Therefore, DDA does not think this recommendation applies to the Administration and requests that it be exempted from this budget-bill language.

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Recommendation: #3

Add the following language:

SECTION XX. AND BE IT FURTHER ENACTED, That \$100,000 of the general fund appropriation for M00A01.01 – Executive Direction, and \$100,000 of the general fund appropriation for N00A01.01 – Office of the Secretary, and \$100,000 of the general fund appropriation for V00D01.01 – Office of the Secretary may not be expended until:

- (1) the Department of Health and Mental Hygiene, the Department of Human Resources, and the Department of Juvenile Services submit a report to the budget committees by October 1, 2006, that reports on the percentage of dollars currently paid to licensed child residential group homes that is spent on direct care and that proposes a minimum percentage of the per diem funds to be paid to child residential group home providers in Maryland that should be spent on the direct care of residents. The report shall also discuss the feasibility of requiring licensed child residential group homes in Maryland to spend a minimum percentage of the per diem funds on the direct care of residents and the recommended method (by statute, regulation or other means) such a requirement would be instituted; and
- (2) the budget committees have reviewed and commented on the report or 45 days have elapsed from the date the report was received by the committees.

Response

The Administration uses its own Fee Payment System (FPS), a system that pays per-diem rates adopted in regulations, to purchase residential, day habilitation, and supported employment services. Therefore, DDA does not think this recommendation applies to the Administration and requests that it be exempted from this budget-bill language.

The FPS per-diem rate has a component for direct-support staff called the Individual Component. The Individual Component has twenty-five rates per service based on the health/medical and supervision/assistance needs of the individuals served. A person entering service has their level of direct-support need assessed with an instrument called the Individual Indicator Rating Scale. The Individual Component rates for direct-support can vary from \$15.59 per day to \$125.94 per day based on the person's level of need, and these rates increase for higher-cost areas. FPS also has a Provider Component that has cost centers for administrative, general, capital, and transportation costs. The Individual Component and Provider Component are added together to produce a per-diem rate.

Providers paid through FPS are required to submit cost reports, and DDA can share the average percent of direct-support expenditures for all residential services providers. The great majority of the residential services are for adults, however, with very few children under 18 being served with FPS rates. Also, if an average direct-support expenditure is used to set payments, providers will be overpaid in many instances and underpaid in many others, and requiring a minimum

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expenditure may send the message to providers that the minimum is all they need to deliver, no matter what the service recipient's needs.

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Recommendation: #4

Increase turnover expectancy to 5.00%. Fiscal 2007 turnover expectancy is budgeted at 3.97% which is below the 6.92% vacancy rate. This action will still allow the department to fill 12 vacancies in fiscal 2007.

Response

DHMH opposes this recommendation. This recommendation, if adopted, would reduce funding for staffing equal to 12.5 positions. The fiscal 2007 budget already incorporates reductions of 19 positions as well as reductions of \$353,224 in overtime costs from the fiscal 2006 budget allowance. Comparing the fiscal 2007 budget allowance to the fiscal 2005 actuals, the reductions are even more pronounced, with staffing reduced by 25 positions and overtime costs reduced by \$1.9 million. Further reductions to staffing will endanger care at the state residential centers and could force deferral of the respite admissions.

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Recommendation: #5

Reduce funds a grant to Special Olympics of Maryland. The amount of this grant increases 200% between fiscal 2006 and 2007. An appropriation of \$150,037 remains, \$50,000 more than the fiscal 2006 allocation.

Response

DHMH opposes the reduction of this grant. Special Olympics is a year round sports organization dedicated to providing quality training and competition opportunities and basic health screening to Maryland's children and adults with developmental disabilities. Their mission is to provide participating athletes with continuing opportunities to develop physical fitness and healthy lifestyles, demonstrate courage, experience joy, and participate in a sharing of gifts, skills and friendship with their families, other Special Olympics athletes, and the community.

Some of the additional funding, if provided, will be used to serve 400 additional athletes at the Summer Games. The total increase in the fiscal 2006 grant went to the 2005 Summer Games. The total cost of the competition (excluding overhead) was \$182,994 – nearly \$83,000 over the fiscal 2006 grant. Special Olympics will allocate an additional \$40,000 from the increase in fiscal 2007 to support the next Summer Games competition.

\$110,000 of the fiscal 2007 grant will go to Healthy Athletes, a program designed to help Special Olympics athletes improve their health and fitness through health screenings and referrals when necessary. Recent studies have found that individuals with intellectual disabilities face widespread health problems often related to a lack of fitness or an unhealthy lifestyle.

The last \$50,000 of the fiscal 2007 grant will go to provide screenings for volunteers. In order to ensure safety of the athletes, Special Olympics-Maryland abides by the Special Olympics, Inc. volunteer screening policy. This requires criminal background checks, which must be updated every three years. Special Olympics-Maryland currently has over 6,000 volunteers and 1/3 of those will need to be screened in fiscal 2007.

If Special Olympics is to continue providing quality training and competition opportunities to the existing population of registered athletes additional funding is absolutely essential. Without it, the organization simply cannot continue the pattern of successful growth that has marked the last 35 years.

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Recommendation: #6

Delete 1.5 vacant positions. The positions include a Physical Therapist (PIN 046359) and a Speech Pathologist (PIN 025545). Both positions have been vacant for longer than one year.

Response

The Department recommends against deleting these positions. Physical therapists and speech pathologists are important in providing care but difficult to recruit. Rosewood Center staff has made numerous efforts to recruit and fill these vacancies and currently has viable candidates to fill these vacancies. However, if these PINs are eliminated and the Administration must use a staffing firm to provide these services, it will be more expensive than hiring these professionals directly.

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Response to Issues

Issue

DDA should comment on the findings of the report including the accuracy of the data collected to support the annual appropriation for the wage initiative.

Response

In 2003, DDA began to implement a number of measures to improve the accuracy of wage and benefits data and to assure that the wage initiative money was being spent for the intended purpose. These measures include:

- The Administration required providers to submit an annual expenditures survey beginning in 2003 that gathered information on the total funds spent to increase direct-support wages and benefits.
- Beginning in 2004, DDA required providers to have an independent CPA attest to all wage survey data.
- In 2005, DDA worked with the Community Services Rate Commission (CSRRC) to simplify the data requested.
- In 2005, DDA and CSRRC began requiring wage and hour data for a full fiscal year where before it had been requested for a single pay period in February.

These measures have resulted in what DDA feels is accurate and reliable data on direct-support wages paid by community providers. The annual expenditures, February pay-period, and fiscal year wage and hour data all show significant progress in increasing direct-support wages—there was more than a 6% gain from FY04 to FY05—and the data is consistent from one measure to another. Further, the annual expenditures surveys indicate that the money appropriated for wages and benefits is being spent for that purpose.

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Issue

DDA should comment on the likelihood of eliminating the wage disparity between direct care workers and equivalent State positions by fiscal 2007 as required by law.

Response

The average community direct-support wage for all services is at nearly 90% of the equivalent State wage, given the tenure of community workers. For some community services, workers already are earning wages on par with State scale. In other services, such as residential, community workers' wages still lag their State counterparts.

Given the data we've received in the two surveys in 2005, there is a strong possibility of eliminating the wage gap by the end of FY07. To do so, DDA will selectively increase rates, service by service, based on the number of hours per year of direct-support employed in the service and the wage disparity for the service.

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Issue

DHMH should brief the committee on its efforts to improve the licensure and oversight of group homes.

Response

DHMH licenses 32 providers of services for children at 112 sites. This is a relatively small proportion of the total number of children's group homes licensed in Maryland. Overall, DHMH licenses 192 providers of services for individuals with disabilities at 2,060 sites.

Recognizing concerns about the licensure and monitoring of children's group homes and the three agencies involved with monitoring the homes, the Governor's Office for Children (GOC) recently provided communities a single call in number to voice complaints about a children's group home. We understand that GOC is undertaking additional measures with the three agencies involved, including DHMH, to strengthen oversight of group homes. We are working with the GOC to share our systems with the other agencies involved.

While the Office of Health Care Quality (OHCQ) has linked its additional surveyor resources to providers who will pay increased licensure fees (not including children's group homes) OHCQ has transferred certain functions that have diverted surveyor resources from community settings to other parts of OHCQ. Specifically, monitoring of State residential facilities and adult day care facilities for individuals with developmental disabilities will be moved to other parts of the office. This will enable the surveyors to devote additional resources to community providers. Additionally, several managerial efforts are underway to better utilize surveyor resources; for example, OHCQ is working with DDA, advocates and stakeholders to prioritize resources so that they are directed to make the most impact.

Moreover, DDA promulgated regulations which became effective January 2, 2006 to strengthen the licensure and oversight of group homes. The changes to COMAR 10.22.02 require applicants for an initial license to submit a business plan, a summary of the applicant's experience in developmental disabilities, prior licensing reports from any entity that has been associated the applicant; and a written quality assurance plan (approved by DDA in accordance with COMAR 10.22.02.14). Additionally these regulations strengthen the governance structure of all licensees by requiring that 75% of the governing body reside in Maryland or within a 100 mile radius of the licensee's administrative office, which must be located in the State. Furthermore no employee of the licensee or immediate family of an employee may serve as a voting member of the governing body. Finally, members of the governing body and employees of the licensee may not own property that is leased back to the licensee.